



6/7/05

## MESSAGES FROM THE HOUSE

### **SB 226 (Gilbert)**

SB 226 would require the director of the Department of Environmental Quality to convene an agriculture and rural communities roundtable to discuss how the laws, rules, and policies administered by the department and the Department of Agriculture affect farmers, food processors, agribusinesses, rural counties, and municipalities located within a rural county.

- The Senate concurred with the House changes to SB 226 [RC 190: 34 yes, 0 no].

## FINAL PASSAGE

### **SB 224 (Van Woerkom)**

SB 224 would provide that at least 55% of the loans issued by the Broadband Development Authority during a fiscal year would have to go to rural underserved areas, unless the MBDA did not receive enough qualified rural loan applications to meet the 55% requirement. "Rural" would mean a county with a population under 70,000.

The Michigan Broadband Development Authority provides loans to the public and private sector to expand broadband access for Michigan's citizens and businesses. The Authority serves to attract investment in underserved communities and to expand the availability of affordable broadband service across the state. The goal is to make Michigan more attractive to businesses, which need the ability to access high-speed Internet connections to work more efficiently.

- *Committee 1 (S-2) was adopted. (6/2)*
- *SB 224 was moved to 3<sup>rd</sup> Reading.*
- SB 224 passed [RC 191: 32 yes, 2 no (Patterson, Sanborn)]. (6/7)

## THIRD READING

**SB 406 (CLARK-COLEMAN)**

**SB 407 (SWITLASKI)**

**SB 408 (CLARKE)**

**SB 410 (LELAND)**

**SB 411 (CHERRY)**

SBs 406-11 would realize \$41.1 million for the School Aid Fund in the current year and \$44.5 million in 2006. Additionally, the bills stem the growth of debt service costs which could grow from the current \$44 million to nearly \$200 million in 2021.

SB 406 would repeal the existing School Bond Load fund law and create the School Bond Qualification, Approval and Loan Act. Under the bill, school districts apply to the State Treasurer for prequalification of a proposed school bond issue. The main change in the new statute will be a requirement that the school district will be able to repay all outstanding qualified loans at the times stated. Current practice has allowed districts to roll over loans and push out the date for repaying the state.

- Committee 1 (S-3) was adopted.
- Cropsey 1A (1 amend) was adopted. This would bring the felony provisions in the bill in line with current law.
- Garcia 1B (2 amends) was adopted. This would give schools one additional year to repay bonds.
- Garcia 1C (1 amend) was withdrawn.
- Johnson 1D (1 amend) was adopted.
- SB 406 was moved to 3<sup>rd</sup> Reading.

SB 407 would establish the school loan revolving fund. Money in the revolving fund could be used only for making loans to school districts, securing notes issued by the Michigan Municipal Bond Authority to provide funds in the revolving fund, and pay the costs to administer the fund. The Bond Authority could also borrow against the school districts' expected repayments to establish the revolving fund.

- Committee 1 (S-2) was adopted.
- SB 407 was moved to 3<sup>rd</sup> Reading.

SB 408 would provide that repayments on loans made through the new school loan revolving fund would be deposited in the revolving fund, instead of the General Fund. It would also allow the State Treasurer to put money repaid from the old school bond loan fund into the revolving fund.

- Jelinek 1 (1 amend) was adopted. Tie-bar to the rest of the bills in the package.
- SB 408 was moved to 3<sup>rd</sup> Reading.

SB 410 would allow the Treasurer to withhold state aid payments if a district defaulted on its payment of a loan from the state and did not make arrangements with the Treasurer for payment of the default.

- Committee 1 (S-1) was adopted.
- SB 410 was moved to 3<sup>rd</sup> Reading.

SB 411 would establish criminal felony provisions for making a false statement or concealing information to obtain qualification of a school loan or improperly using bond proceeds. It would be punishable by a maximum of four years in prison.

- Committee 1 (S-1) was adopted.
- SB 411 was moved to 3<sup>rd</sup> Reading.

#### **HB 4551 (Elsenheimer)**

HB 4551 would make it clear that two buildings can share an elevator provided other state elevator laws and rules are met. Sharing elevators can be a cost-effective way of accommodating additional residential and

commercial space on the upper floors of adjoining buildings when those buildings, which are typically located in downtowns, undergo renovation. Reportedly, the law is not clear on this currently. All other elevator laws and rules would have to be satisfied. This legislation could assist in the redevelopment of downtowns in cities and villages throughout the state.

Support: Department of Labor and Economic Growth; the Department of History, Arts, and Libraries; the Michigan Association of Home Builders; the Michigan Environmental Council; and the Michigan Municipal League.

- HB 4551 was moved to 3<sup>rd</sup> Reading. No amendments.